

Tips for Filing Fire Insurance Claims

Had Fire Damage to Your House? Here Is a Q&A to Help You Deal With Insurance Companies

As wildfires continue to rage throughout Southern California, insurance companies are mobilizing teams to help fire victims deal with claims and start rebuilding their homes.

Even if you don't have all the information or paperwork, insurance experts are advising Californians to file a claim now to get the process started. The following is a tip sheet from the Insurance Information Institute, an industry trade group, on what you need to know to if your house is damaged by fire.

If my house burns down, will my insurance company pay to have it rebuilt?

The typical homeowner's policy covers damage due to wind, fire and lightning. So if your home has been completely destroyed by a fire or if the roof has been burned, your insurance company will pay to have your home rebuilt or to have the roof replaced. It will also pay if flames and smoke have damaged any other part of your home.

What about the contents of my house?

In addition to paying for damage to the dwelling, homeowners' policies cover other structures on the premises, such as a garage or tool shed, as well as damage to your furniture, clothes, appliances and other personal possessions up to the limits of your policy.

What information is needed to report a claim?

Each claim is different, but information your insurance company will likely need include:

- Date of loss
- Type of loss or damage
- Location of damage

- Any related injuries
- Others involved
- Condition of the home
- Description of damaged contents
- Whether or not temporary repairs are necessary
- A police report

Who will pay for temporary housing?

Your insurance company might cover your housing expenses, depending on your plan. These "additional living expense coverage" or "loss of use coverage" options will pay for similar housing while repairs are being made to your home or if you permanently relocate. Typically, you need to seek reimbursement for expenses incurred. Also keep in mind that payments do not cover lost wages or earnings.

Should I file a police report?

Yes. In many cases, a police report is required when reporting a claim.

What about receipts?

The more documentation you have, the better. Assuming such documents survived the fire, receipts, owner's manuals, warranty cards, appraisals, photographs or the original boxes that the items came in will all help.

What other documents should I compile?

Keep an accurate record of all temporary repair expenses such as bills or material receipts so that you can add the amount to your claim. Also, keep an accurate record of any and all expenses incurred to be considered for possible reimbursement. Do not make any permanent repairs until the insurance adjuster has had a chance to review the damage.

What is a deductible?

A deductible is the amount you agree to pay as your part of the loss. The insurance company will pay for the amount over the deductible if it is a covered loss. For example, if the covered claim is \$2,000 and your deductible is \$500, you pay \$500 and your insurance company pays the \$1,500 balance.

How do I figure out what I've lost?

Make a written list of what was damaged. To be as accurate as possible, include the manufacturer, brand name and the place and date of purchase. A good way to start this process is to divide your list into broad categories, such as location: living room, master bedroom, kitchen, etc. If available, photographs, videotapes or personal property inventories are valuable resources during the itemization process.

Much of my furniture and possessions were badly damaged -- can I get rid of them if I have a home inventory?

A homeowner should not throw things away until an insurance company representative has been able to assess the damage and make a claim report.

My home was vandalized after the fire and my new television was stolen. Am I covered?

Homeowners' insurance policies cover theft and vandalism, so any losses due to looting in the wake of the fire should be covered.

Should I make temporary repairs to my house?

It is important to take immediate steps to prevent further damage to your home. Some policies may cover such repairs, others might not. Some policies will let you hire a contractor to do the work. Whether hiring somebody or doing it yourself, document all your expenses.

Does my insurance pay for the loss of any trees, shrubs or other plants I lost in the fire?

The typical homeowner's policy covers trees, shrubs, plants or lawns on the residence for loss caused by fire. Usually insurers will pay up to 5 percent of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 will be paid for any

one tree, shrub or plant. Insurance, however, does not cover property grown for business purposes.

If my car is destroyed or damaged from the fire, is it covered?

If you have comprehensive insurance, your vehicle will be covered for damage or destruction.

If I have questions about my homeowner's policy, where can I get help?

You can call your insurance agent, broker or company representative or the National Insurance Consumer Helpline: Call 1-800-942-4242 and ask for the free brochure, How to File an Insurance Claim. In addition, if you feel that your insurance company has been unhelpful, the California Insurance Commissioner may be able to help. Call their hotline at 800-927-HELP.

Hiring a Contractor

After a disaster, sales people often go door to door, canvassing neighborhoods to generate new business. While many of these people are honest and reputable, some are not. Below is a recommended list of steps to take to protect against unscrupulous operators posing as legitimate contractors:

Call the Contractors State License Board at 800-321-2752 or visit their Web site at www.cslb.ca.gov to check a contractor's license number or get further information on home and property repairs.

Deal only with licensed contractors. Ask to see the contractor's "pocket license," together with other identification. If the person claims to be representing a contractor, but can't show you a contractor's license or home improvement salesperson registration card, call the contractor and find out if the person is authorized to act on the contractor's behalf.

Do not do business with a contractor who does not carry the appropriate insurance coverage. If the contractor is not insured, you may be liable for accidents that occur on your property. Ask the contractor if he/she carries general liability and workers compensation insurance. Request a certificate of insurance (COI) from the contractor that shows the name of the insurance company, policy number and

policy limits the contractor carries. Contact the insurance company directly to verify information on the COI.

Call the insurance adjuster assigned to your property damage claim and ask the adjuster to make an estimate of the damage and the probable cost to repair. This will provide you with a benchmark estimate prepared by a professional that you can use when negotiating with contractors.

Don't rush into signing a contract. Collect business cards, interview several contractors, and request multiple bids for comparison. Make sure to read the fine print on all estimates and contracts.

Beware of building contractors that encourage you to spend a lot of money on temporary repairs.

Hire local, licensed contractors when possible, as it is easier to deal with a local contractor if problems develop. However, since it may not always be possible to deal with local contractors in the aftermath of a disaster, be particularly careful to thoroughly check references for out-of-town contractors.

Get everything the contractor discusses in writing. Also, if changes or modifications occur in the contract terms, they should be acknowledged by all parties in writing.

Never sign a contract with blanks that have not been filled in. Unscrupulous contractors may fill in the blanks later with unacceptable terms.

Never pay a contractor for the entire project in advance or before the work is completed.

California law requires that the amount of the down payment for any one improvement project, other than for construction of a swimming pool, may not exceed \$1,000 or 10% of the contract price, excluding finance charges, whichever is less.

Be especially suspicious of door-to-door sales people who make unrealistically low estimates, refuse to leave a contract overnight, or try to sell their services by playing on your emotions.

Federal law requires a three-day "cooling off" period for unsolicited door-to-door sales of more than \$25.00.

